

Message Text

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PAGE 01 CARACA 07348 222029Z POSS DUPE
ACTION ARA-14

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UNCLAS CARACAS 7348

PASS TO OED/MEPD AND OIM

E.O. 11652: N/A
TAGS: BENC, ENRG, VE
SUBJ: MAJOR PROJECT: PETROLEUM REFINERIES

REF: (A) CARACAS 1410, (B) STATE 165029

1. MR. ANGEL BEHREND, COORDINATOR FOR REFINERIES IN PETRO-
LEOS DE VENEZUELA (PDV), PROVIDED EMBOFF WITH FOLLOWING UP-
DATED INFORMATION ON REFINERIES PROJECTS REPORTED IN REF A:

A.. LUMMUS (THE HAGUE) HAS BEEN AWARDED THE CONTRACT FOR
ENGINEERING WORK ASSOCIATED WITH THE UPGRADING OF THE CATALYTIC
CRACKER AT MARAVEN'S REFINERY AT CARDON. WORK ON THE PROJECT
WILL BEGIN IN LATE 1978 AND BE FINISHED DURING THE FIRST QUARTER
OF 1979. THE PROJECT WILL PROBABLY BE EXECUTED BY A LOCAL FIRM.
THE WORK WILL BE DONE DURING A ROUTINE TURNAROUND OF THE
REFINERY.

B.. A DECISION ON THE ENGINEERING, EQUIPMENT PROCUREMENT,
AND CONSTRUCTION CONTRACT ASSOCIATED WITH THE WORK AT THE
LLANOVEN REFINERY AT EL PALITO IS EXPECTED TO BE MADE O/A 1
AUGUST. LUMMUS, FOSTER WHEELER, AND TECHNIC-PETROL ARE COMPETING
FOR THIS \$200 MILLION PROJECT. CONSTRUCTION IS EXPECTED TO
BEGIN DURING THE FIRST QUARTER OF 1978 AND BE COMPLETED IN MID-
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1980.

C.. THE PROJECT TO UPGRAD THE LAGOVEN REFINERY AT AMUAY
IS EXPECTED TO BE APPROVED BY PDV BEFORE THE END OF AUGUST.
THE PROJECT WILL CONSIST OF THE ADDITION OF A 50,000 B/D FLEXI-
COKER, A 50,000-TO-60,000 B/D CATALYTIC CRACKER, A 10,000 B/D
ALKYLATION UNIT, AND AN LPG RECOVERY UNIT OF UNDETERMINED SIZE.

PROJECT COST IS NOW PLACED AT BETWEEN \$625 AND \$650 MILLION. EXXON IS DOING THE BASIC DESIGN ENGINEERING WORK. MR. BEHREND'S SAID THAT ABOUT TWENTY FOREIGN COMPANIES HAVE EXPRESSED INTEREST IN THIS PROJECT. HE SAID THAT THERE ARE ABOUT FIFTEEN U.S. COMPANIES IN GROUP. THREE OR FOUR ARE FROM JAPAN AND ONE OR TWO FROM WEST EUROPE. PDV IS NOW SCREENING THE COMPANIES AND IN A MONTH OR TWO WILL ASK THREE OR FOUR OF THEM TO PRESENT BIDS FOR THE DETAIL ENGINEERING, EQUIPMENT PROCUREMENT, AND CONSTRUCTION OF THE PROJECT. WORK IS EXPECTED TO BEGIN DURING THE FIRST QUARTER OF 1978 AND BE COMPLETED IN MID-1982. MR. BEHREND'S FELT THAT THE U.S. COMPANIES ARE THE STRONGEST COMPETITORS FOR THIS PROJECT.

D.. MENEVEN WILL WORK WITH A GULF OIL SUBSIDIARY CALLED GEOMAN TO PREPARE A FEASIBILITY STUDY FOR THE PROJECT TO CONSTRUCT A GAS LIQUIDS EXTRACTION PLANT NEAR SAN TOME (ANZOATEGUI STATE), A GAS FRACTIONATION PLANT IN PUERTO LA CRUZ, AND A HIGH PRESSURE PIPELINE TO CONNECT THE TWO PLANTS. THE ESTIMATED COST OF THIS PROJECT IS \$300 MILLION. WORK ON THE PROJECT IS EXPECTED TO BEGIN IN LATE 1978 AND BE COMPLETED IN LATE 1981. PDV HAS ALREADY TALKED TO SEVERAL U.S. FIRMS ABOUT THIS PROJECT (SEE REF A, PARA 8). AGAIN, MR. BEHREND'S THINKS THAT U.S. FIRMS WILL OFFER THE STRONGEST COMPETITION FOR THIS PROJECT.

2. MR. BEHREND'S MENTIONED THAT MARAVEN IS WORKING WITH SHELL LABS IN EUROPE ON A FEASIBILITY STUDY FOR THE CONSTRUCTION
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OF A 2,500 B/D CRUDE OIL DEMETALIZATION PILOT PLANT, PROBABLY AT OR NEAR CARDON. MARAVEN AND SHELL LABS ARE NOW STUDYING A SIMILAR PLANT AT A REFINERY LOCATED AT KALENBORG (PHON), SWEDEN. MR. BEHREND'S ESTIMATED THAT THE COST OF THE PILOT PLANT WOULD BE APPROXIMATELY \$30 MILLION.

3. POST EMPHASIZES THAT MR. BEHREND'S VIEWS REGARDING PUBLICITY OF ABOVE INFORMATION ARE UNCHANGED FROM THOSE EXPRESSED IN PARA 7 OF REF A.
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Message Attributes

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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
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Drafter: n/a
Enclosure: n/a
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